



Date: Wednesday 5 April 2006

**MANGANESE BRONZE HOLDINGS PLC
UNAUDITED INTERIM RESULTS**

Manganese Bronze Holdings PLC, the leading manufacturer of the distinctive London black taxi, announces its unaudited interim results for the six months to 31 January 2006.

Highlights

- Profit before tax doubled to £1.0 million (2005: £0.5 million)
- Interim dividend up to 2p (2005: 1p)
- UK new taxi sales 1,106 (2005: 1,108)
- Net debt £2.3 million at 31 January 2006 (31 January 2005: £1.8 million)
- IFRS adopted

Subsequent Event

- Sale of Ipswich surplus property completed, £4.2 million cash received

Ian Pickering, Chief Executive of Manganese Bronze, said;

“The decision by the Public Carriage Office to retain the turning circle after their second detailed review of the Conditions of Fitness has reaffirmed the benefits of a purpose built taxi vehicle for major world cities like London.

“We are committed to continuing to develop our vehicle to meet the needs of our home market and to pursuing its potential overseas.

“The sale of our surplus Ipswich property completes the restructuring process that we began in 2003 which has generated significant cash resources for the Group since that time. We are considering our future dividend policy in light of the Group’s requirement for cash to deliver its strategy.

For further information:

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CHAIRMAN'S STATEMENT INTERIM RESULTS

The Group has made a solid start to the year in the face of increasing costs of raw materials and utilities and uncertain market conditions. The Public Carriage Office decision to retain the 25ft turning circle announced last December has increased confidence in the London market ahead of the implementation from July of the new emissions regulation for London that will require all of London's taxis to at least comply with the Euro III emissions standard by July 2008.

The Group's results for the six months to 31 January 2006 have been prepared for the first time under International Financial Reporting Standards (IFRS). The comparative results for the six months to 31 January 2005 and for the year to 31 July 2005 have also been restated in accordance with the transitional provisions of IFRS. The impact of adopting IFRS is explained in the notes to the Interim Financial Statements, the principal effect being in relation to accounting for the Group's closed defined benefit pension scheme.

Profit before tax has risen to £1.0m (2005: £0.5m) on total revenue of £39.1m (2005: £41.3m). Earnings per ordinary share were 5.3p (2005: 2.2p).

Net borrowings at 31 January 2006 were £2.3m, marginally above the level of a year earlier (£1.8m). Cash balances of £6.8m were £2.9m below the level at 31 July 2005 principally because of a reduction in trade creditors of £3.8m offset by the £0.8 million proceeds from the disposal of our surplus Birmingham property which were received in August 2005. A further £4.2m has been received since 31 January 2006 from the completion of the sale of our surplus property in Ipswich.

In applying IFRS we have adopted revised segmental reporting under which we have analysed the results of the group's operations in three business segments, Vehicle Sales, Vehicle Services and Property. This is the last year in which we will have a Property segment as we no longer have any surplus properties following the completion of the Ipswich sale.

Vehicle Sales

UK new taxi sales in the first six months were 1,106, 2 lower than in the comparable period last year. Overall vehicle sales were down by £2.2m at £37.4m, principally because of lower sales of used vehicles by our wholly owned dealers.

Vehicle Sales operating profit of £0.9m was £0.2m higher than in the comparable period last year, principally because of general overhead savings and a reduction in the depreciation charge offset by higher costs for steel and utilities, which have not been passed on to customers.

Vehicle Services

The Vehicle Services segment comprises taxi finance and the US taxi advertising business and in 2005 also included the results of the Zingo mobile phone taxi hailing service. The Vehicle Services operating profit of £0.2m is £0.3m better than the operating loss for the comparable period last year, due to the elimination of Zingo losses of £0.7m less initial losses in the US of £0.3m.

Dividend

The Board has declared an increased interim dividend of 2.0 pence per share (2005: 1.0 pence). This will be paid on 12 May 2006 to shareholders on the register on 21 April 2006.

Market and Business Developments

The Public Carriage Office announced the results of the second limited review of the London Conditions of Fitness in December last year. The review has confirmed the benefits of the taxi's unique turning circle for both drivers and passengers, which therefore has been retained. Similar reviews have or are being conducted in a number of other cities, the latest being in Edinburgh where, again, the turning circle has been found to be used very frequently by drivers.

The PCO has also recently announced a relaxation in the new emissions regulation for London's taxis, delaying the start of the implementation of the regulation for Metrocab vehicles to July 2007. The PCO also confirmed that there would be no further changes to the emissions regulation.

In October last year we introduced a new coil spring rear suspension on our vehicle. The development of a drive train to comply with the Euro IV emissions standard is proceeding to plan. This is a requirement for all new vehicles of our class registered from January 2007.

We have recently consolidated our operations in the US into one new facility in Chicago resulting in the closure of the office in Boston. The associated cost savings should lead to improved results in the second half of the year. We are continuing discussions with potential manufacturing partners to establish a trial fleet of vehicles in Mexico and for the future supply of vehicles for Mexico and the US.

We have continued to pursue our plans to make and sell our vehicle in China. While the reported increasing overcapacity in the Chinese automotive industry is making the process of gaining Chinese government approval for a new manufacturing venture more complex, we remain confident that China continues to represent a major opportunity for future vehicle sales, manufacturing and for the supply of lower cost automotive components for our UK taxi production.

Current Trading and Prospects

UK taxi sales in February and March were 421 marginally ahead of last year (2005: 414). We will start the refurbishment of our new London taxi dealership in May with completion planned for November. These new facilities together with the Euro IV compliant vehicle will provide our taxi driver customers with an improved product offering making us well placed to benefit from the anticipated increased demand for new vehicles following the implementation of the new emissions regulation for London from July of this year.

Tim Melville-Ross
Chairman

KEY STATISTICS

		2006 half year (Unaudited)	As restated 2005 half year (Unaudited)	As restated 2005 full year (Audited)
Vehicle sales volumes	UK	1,106	1,108	2,412
	Overseas	8	32	109
	Total	1,114	1,140	2,521
Revenue	£000	39,119	41,288	87,598
Operating profit	£000	1,160	688	2,768
Finance costs - net	£000	(197)	(236)	(473)
Profit before tax	£000	963	452	2,295
Net Assets	£000	20,590	19,128	20,251
Basic earnings per ordinary share	pence	5.29	2.23	12.78
Interim dividend per ordinary share	pence	2.00	1.00	1.00
Final dividend per ordinary share	pence	-	-	3.00
Price range of ordinary shares				
1 August - 31 January	pence	153 - 220	142 - 215	142 - 215
1 August - 31 July	pence	-	-	142 - 231
Weighted average number of ordinary shares in issue		19,035,649	18,915,649	18,932,416
Market capitalisation at 1 March/1 September	£m	39.21	43.22	34.45
Net assets per ordinary share	pence	104.8	97.7	102.9

CONSOLIDATED INCOME STATEMENT
for the six months ended 31 January 2006

	Notes	Six months to 31 Jan 2006 (Unaudited) £000	As restated Six months to 31 Jan 2005 (Unaudited) £000	As restated Twelve months to 31 July 2005 (Audited) £000
Revenue	2	39,119	41,288	87,598
Cost of sales		(33,060)	(35,524)	(75,327)
Gross profit		6,059	5,764	12,271
Operating costs		(4,899)	(5,076)	(9,503)
Operating profit	2	1,160	688	2,768
Investment revenues		105	122	251
Finance costs		(162)	(218)	(443)
Net interest on pension liability		(140)	(140)	(281)
Profit before tax		963	452	2,295
Tax		14	(32)	94
Profit after tax		977	420	2,389
Minority interests		26	-	22
Profit for the period		1,003	420	2,411
Attributable to:				
Equity holders of the parent		977	420	2,389
Minority interest		26	-	22
		1,003	420	2,411
Earnings per share	3	Pence	Pence	Pence
Basic		5.29	2.23	12.78
Diluted		5.26	2.21	12.66

CONSOLIDATED BALANCE SHEET
as at 31 January 2006

	As at 31 Jan 2006 (Unaudited) £000	As restated As at 31 Jan 2005 (Unaudited) £000	As restated As at 31 July 2005 (Audited) £000
Notes			
Non-current assets			
Goodwill	2,317	-	2,317
Other intangible assets	512	255	600
Property, plant and equipment	16,131	14,151	16,707
Investments	-	523	-
Total non-current assets	18,960	14,929	19,624
Current assets			
Inventories	19,668	16,764	15,286
Trade and other receivables	4,933	5,116	6,549
Deferred tax asset	2,358	2,179	2,311
Cash and cash equivalents	6,759	5,989	9,642
Total current assets	33,718	30,048	33,788
Assets held for sale	2,900	4,073	3,700
Total assets	55,578	49,050	57,112
Current liabilities			
Trade and other payables	11,428	8,846	15,208
Obligations under finance leases	239	484	199
Stocking loan	8,430	7,239	5,632
Provisions	3,994	4,166	3,957
Derivative financial instruments	6	30	12
Total current liabilities	24,097	20,765	25,008
Non-current liabilities			
Retirement benefit obligation	5,715	5,888	6,175
Obligations under finance leases	417	17	504
Provisions	4,759	3,252	5,174
Total non-current liabilities	10,891	9,157	11,853
Total liabilities	34,988	29,922	36,861
Net assets	20,590	19,128	20,251
Equity			
Share capital	5,401	5,371	5,401
Share premium account	4,919	4,700	4,919
Capital redemption reserve	916	916	916
Revaluation reserves	1,532	1,540	1,532
Employee Share Ownership Plan (ESOP) reserve	(181)	(408)	(210)
Translation reserves	111	-	111
Retained earnings	7,892	7,009	7,556
Equity attributable to equity holders of the parent	20,590	19,128	20,225
Minority interests	-	-	26
Total equity	20,590	19,128	20,251

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CONSOLIDATED CASHFLOW STATEMENT
for the six months ended 31 January 2006

	As restated Six months to 31 Jan 2006 (Unaudited) £000	As restated Six months to 31 Jan 2005 (Unaudited) £000	As restated Twelve months to 31 July 2005 (Audited) £000
Operating activities			
Operating profit	1,160	688	2,768
Adjustments for:-			
Gain on derivatives	(6)	-	(18)
Depreciation of property, plant and equipment	1,490	1,820	3,516
Amortisation of intangible assets	88	67	142
Gain on disposal of property, plant and equipment	-	-	(19)
Charge for share based payments	33	16	32
Contribution to defined benefit pension scheme	(600)	(622)	(1,222)
(Decrease)/increase in provisions	(411)	(273)	537
Operating cash flows before movement in working capital	1,754	1,696	5,736
(Increase)/decrease in inventories	(4,382)	(777)	711
Decrease/(increase) in receivables	1,616	489	(714)
(Decrease)/increase in payables	(3,770)	(992)	4,212
Cash (used in)/generated by operations	(4,782)	416	9,945
Taxation (recovered)/paid	-	91	(6)
Interest paid	(162)	(218)	(443)
Net cash (used in)/from operating activities	(4,944)	289	9,496
Investing activities			
Interest received	105	122	251
Proceeds on disposal of property, plant and equipment	261	196	533
Proceeds on disposal of intangible assets	-	700	700
Proceeds on disposal of assets held for sale	800	-	-
Purchases of intangible assets	-	-	(145)
Purchases of property, plant and equipment	(1,114)	(480)	(2,929)
Purchases of trading investments	-	(539)	-
Acquisitions of subsidiary	-	-	(1,039)
Net cash from/(used in) investing activities	52	(1)	(2,629)
Financing activities			
Dividends paid	(571)	(375)	(567)
Repayments of obligations under finance leases	(115)	(222)	(617)
Purchase of own shares	(151)	-	-
Proceeds on issue of shares	48	92	91
Increase/(decrease) in stocking loan	2,798	(193)	(2,464)
Net overdrafts acquired with subsidiary undertaking	-	-	(67)
Net cash from/(used in) financing activities	2,009	(698)	(3,624)
Net (decrease)/increase in cash and cash equivalents	(2,883)	(410)	3,243
Cash and cash equivalents at beginning of period	9,642	6,399	6,399
Cash and cash equivalents at end of period	6,759	5,989	9,642

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the six months ended 31 January 2006

	Six months to 31 Jan 2006 (Unaudited) £000	Six months to 31 Jan 2005 (Unaudited) £000	Twelve months to 31 July 2005 (Audited) £000
Net profit for the period	1,003	420	2,411
Exchange differences on translation of foreign operations	-	(16)	102
Actuarial loss on defined benefit pension scheme	-	-	(746)
Loss on revaluation of properties	-	-	(341)
Recognised income and expense for the period	1,003	404	1,426

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 January 2006

	Six months to 31 Jan 2006 (Unaudited) £000	Six months to 31 Jan 2005 (Unaudited) £000	Twelve months to 31 July 2005 (Audited) £000
At 1 August (as previously reported under UK GAAP)	23,755	22,818	22,818
Adjustments on adoption of IFRS from 1 August 2004	(3,530)	(3,824)	(3,824)
At 1 August (restated)	20,225	18,994	18,994
Recognised income and expense for the period	1,003	404	1,426
Dividends paid	(568)	(378)	(567)
Issue of equity shares	-	-	30
Premium arising on issue of equity shares	-	-	219
Purchase of own shares	(151)	-	-
Share options exercised	48	92	91
Credit to equity for share based payments	33	16	32
At period end	20,590	19,128	20,225

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

These interim statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for the first time. The last financial statements under UK GAAP were for the year ended 31 July 2005 and the date of transition to IFRS was, therefore, 1 August 2004. The disclosures required by IFRS1 concerning the transition from UK GAAP to IFRS, and the Group's accounting policies revised to comply with IFRS, were published on 2 March 2006 and are available on the Group's website. Reconciliations of equity at 31 January 2005 and profit for the six months ended 31 January 2005, which were not included in the publication of 2 March 2006, are shown below in notes 6 and 7 respectively.

The results for the six months ended 31 January 2006 and 31 January 2005 have not been audited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The abridged financial information for the year ended 31 July 2005 has been derived from the statutory accounts included in the Annual Report 2005, which were prepared under UK GAAP, and have been filed with the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain statements under Sections 237 (2) or (3) of the Companies Act 1985 which deal respectively with the maintaining of proper accounting books and records and the availability of information to the auditors.

IFRS are subject to continuing review and amendment by the International Accounting Standards Board ("IASB") and subsequent endorsement by the European Commission and therefore are subject to change. Therefore, in determining the group's IFRS accounting policies, the Board of Directors has used its best endeavours in making assumptions about those IFRS expected to be effective or available for adoption when the first IFRS annual financial statements are prepared for the year ending 31 July 2006. As the accounting policies used to prepare the Interim Financial Statements may need to be updated for any subsequent amendments to IFRS required for first time adoption, or any new IFRS the group may elect to adopt, it is possible that the preliminary opening balance sheet and IFRS comparatives may require adjustment before being finalised.

The Interim Report and financial statements were approved by the Board of Directors on 4 April 2006.

2 ANALYSIS BY BUSINESS SEGMENT

	Six months to 31 Jan 2006 (Unaudited) £000	Six months to 31 Jan 2005 (Unaudited) £000	Twelve months to 31 July 2005 (Audited) £000
Revenue			
Vehicle sales	37,404	39,614	84,971
Vehicle services	1,420	1,324	2,317
Property	295	350	310
Total revenue	39,119	41,288	87,598
Operating profit/(loss)			
Vehicle sales	875	669	2,308
Vehicle services	186	(107)	301
Property	99	126	159
Total operating profit	1,160	688	2,768
Net assets			
Vehicle sales	23,146	21,714	16,599
Vehicle services	1,573	(123)	1,823
Property	2,733	4,020	3,707
Total segment net assets	27,452	25,611	22,129
Unallocated corporate net liabilities	(4,535)	(4,732)	(5,185)
Net funds	(2,327)	(1,751)	3,307
Total net assets	20,590	19,128	20,251

3 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated on the profit on ordinary activities after both taxation and the preference dividend and on the weighted average number of ordinary shares in issue, excluding those shares held under the ESOP trust.

Diluted earnings per share is calculated using an adjusted number of shares reflecting the number of dilutive shares under option.

4 DIVIDENDS

	As restated Six months to 31 Jan 2006 (Unaudited) £000	As restated Six months to 31 Jan 2005 (Unaudited) £000	As restated Twelve months to 31 July 2005 (Audited) £000
Paid in the period			
Final dividends for 2005 - 3p per share (2004: 2p)	(568)	(378)	(378)
Interim dividend for 2005 - 1p per share	-	-	(189)
Total paid in the period	(568)	(378)	(567)

An interim dividend of 2p per share (2005: 1p) amounting to £378,000 (2005: £189,000) has been declared but, in line with IFRS, has not been reflected in the interim accounts

5 ANALYSIS OF CASH, DEBT AND GEARING

	As restated Six months to 31 Jan 2006 (Unaudited) £000	As restated Six months to 31 Jan 2005 (Unaudited) £000	As restated Twelve months to 31 July 2005 (Audited) £000
Reconciliation of movement in cash and cash equivalents to movement in net debt/funds			
Net (decrease)/increase in cash and cash equivalents	(2,883)	(410)	3,243
Capital element of finance contract payments	115	222	617
(Increase)/decrease in stocking loan	(2,798)	193	2,464
Change in net debt/funds resulting from cash flows	(5,566)	5	6,324
Non-cash items - new finance contracts	(68)	(22)	(619)
Non-cash items - acquisition	-	-	(642)
Non-cash items - exchange movements	-	-	(22)
Movement in net debt/funds in period	(5,634)	(17)	5,041
Net funds/(debt) brought forward	3,307	(1,734)	(1,734)
Net (debt)/funds carried forward	(2,327)	(1,751)	3,307
Analysis of net (debt)/funds			
Cash and cash equivalents	6,759	5,989	9,642
Stocking loan	(8,430)	(7,239)	(5,632)
Finance contracts due within one year	(239)	(484)	(199)
Finance contracts due after more than one year	(417)	(17)	(504)
Net (debt)/funds carried forward	(2,327)	(1,751)	3,307
Equity attributable to equity holders of the parent	20,590	19,128	20,225
Gearing	11.3%	9.2%	-

**6 RECONCILIATION OF EQUITY
at 31 January 2005**

	Notes	UK GAAP £000	Effect of transition to IFRS £000	Reclass -ifications £000	IFRS £000
Non-current assets					
Intangible assets	a	-	255	-	255
Property, plant and equipment	b	18,224	-	(4,073)	14,151
Investments		523	-	-	523
Total non-current assets		18,747	255	(4,073)	14,929
Current assets					
Inventories		16,764	-	-	16,764
Trade and other receivables		5,116	-	-	5,116
Deferred tax asset	c	413	1,766	-	2,179
Cash and cash equivalents		5,989	-	-	5,989
Total current assets		28,282	1,766	-	30,048
Assets held for sale	b	-	-	4,073	4,073
Total assets		47,029	2,021	-	49,050
Liabilities					
Trade and other payables		12,974	-	-	12,974
Retirement benefit obligation	c	-	5,888	-	5,888
Obligations under finance leases		501	-	-	501
Stocking loan		7,239	-	-	7,239
Provisions	d/e	3,444	(154)	-	3,290
Derivative financial instruments	f	-	30	-	30
Total liabilities		24,158	5,764	-	29,922
Net assets		22,871	(3,743)	-	19,128
Equity					
Share capital		5,371	-	-	5,371
Share premium account		4,700	-	-	4,700
Capital redemption reserve		916	-	-	916
Revaluation reserves	g	1,860	-	(320)	1,540
Employee Share Ownership Plan (ESOP) reserve		(408)	-	-	(408)
Retained earnings	g	10,432	(3,743)	320	7,009
Minority interests		-	-	-	-
Total equity	h	22,871	(3,743)	-	19,128

6 **RECONCILIATION OF EQUITY**
(continued)
Notes to the reconciliation of equity at 31 January 2005

	£000	£000
Total equity previous GAAP		22,871
a) Development costs written off under UK GAAP, capitalised under IAS38		
Gross cost at Jan 2002	668	
Amortisation to 31 Jan 2005	(413)	
Total development costs net book value as at 31 Jan 2005	<u>255</u>	255
c) Deficit in defined benefit pension scheme as at 31 July 2004	(6,370)	
Less contributions paid in the six months to 31 January 2005	622	
Finance costs	(140)	
Deficit in defined benefit pension scheme as at 31 Jan 2005	<u>(5,888)</u>	(5,888)
Related deferred tax asset		1,766
d) Proposed ordinary share interim dividend of 1p per share, not recognised as liability until declared		189
e) Holiday pay accrual		(35)
f) Fair value of forward foreign exchange contracts		(30)
h) Total adjustment to equity		<u>(3,743)</u>
Total equity IFRS		<u>19,128</u>
Reclassifications		
b) Investment properties transferred to assets held for sale		4,073
g) Transfer of opening revaluation reserve to retained earnings (In line with IFRS 1, First-time adoption)		320

7 **RECONCILIATION OF PROFIT**
for the six months ended 31 Jan 2005

	Notes	UK GAAP £000	Effect of transition to IFRS £000	Reclass -ifications £000	IFRS £000
Revenue		41,288	-	-	41,288
Cost of sales	a	(35,457)	(67)	-	(35,524)
Gross profit		5,831	(67)	-	5,764
Operating costs	b/c	(5,044)	(16)	(16)	(5,076)
Pension contribution to closed scheme	d	(622)	622	-	-
Operating profit		165	539	(16)	688
Costs of a fundamental restructuring	c	(211)	-	211	-
Profit on disposal of discontinued operations	c	195	-	(195)	-
Profit on ordinary activities before finance charges		149	539	-	688
Finance charges	e/f	(69)	(167)	-	(236)
Profit on ordinary activities before taxation		80	372	-	452
Tax credit/(charge)	g	113	(145)	-	(32)
Profit for the financial year	h	193	227	-	420
Basic earnings per share in pence		0.88			2.23

Notes to the reconciliation of profit for the six months ended 31 January 2005

£000

Profit after tax previous GAAP

193

a) Amortisation of development costs capitalised	(67)
b) Share options expensed	(16)
d) Contribution to defined benefit pension scheme (deficit on balance sheet under IRFS)	622
e) Pension scheme finance costs	(140)
f) Preference share dividends reclassified as interest under IFRS	(27)
g) Deferred tax charge re reduction in defined benefit pension scheme deficit	(145)
h) Total adjustment to profit or loss	227

Profit after tax IFRS

420

Reclassifications

c) Exceptional items reclassified as administrative expenses	(16)
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